

~~CONFIDENTIAL/US OFFICIALS ONLY~~

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COUNTRY: Ceylon

CIA

SUBJECT: Change of Government/Trade Policy

DATE

DATE ACQUIRED: 25X1X6

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DATE OF  
INFORMATION: Oct 53 and earlier

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1. "The ailing Prime Minister of Ceylon, Mr Dudley Senanayake, who took over the leadership of his country on the death of his father 18 months ago, re-signed on 12th October 53 and has been succeeded by Sir John Kotelawala. Ceylon's present precarious political and economic situation call for a strong man at the helm of affairs and Sir John is regarded as the outstanding man for the job.
2. "In his first address after the assumption of office, Sir John uttered a warning to the Communists, who proved themselves ominously capable of intimidation and violence in the August disturbances, that he would resist violence with all his power and it would be one of his foremost duties to stamp out Communism from the country.
3. "Speaking on foreign policy, Sir John said that it would be based on the closest alliance with immediate neighbours under the leadership of India's Prime Minister, Mr Nehru, on faith in the British Commonwealth and on full support to the UN [of which Ceylon is not a member].
4. "After a lapse of 12 years, the Ceylon Government have once more allowed private traders to import rice, with the condition that the purchase price must be the same or lower than which the Government pays for rice from Burma and China. This price is in the region of £ 50 a ton. Ceylon imports about 470 thousand tons of rice from Burma and China under the 1954 contract."

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This unclassified information for US Officials  
on the basis of the CIA's interest of  
national by [redacted] report.

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TYPE ACT-DATE INFO-TFR-DATE AREA

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